

1 SENATE BILL 927

2 **48TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2007**

3 INTRODUCED BY

4 Cynthia Nava

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10 AN ACT

11 RELATING TO TAXATION; AMENDING THE INCOME TAX ACT TO PROVIDE A
12 HIGH-NEEDS SCHOOLS TEACHER TAX CREDIT; MAKING AN APPROPRIATION.

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14 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

15 Section 1. A new section of the Income Tax Act is enacted
16 to read:

17 "[NEW MATERIAL] HIGH-NEEDS SCHOOLS TEACHER TAX CREDIT--
18 QUALIFYING--AMOUNT.--

19 A. A taxpayer who files an individual New Mexico
20 income tax return, who is not a dependent of another
21 individual, who is a qualifying level 2 or 3-A licensed teacher
22 and who teaches in a high-needs school identified annually by
23 the public education department, may claim a credit against the
24 tax liability imposed by the Income Tax Act. The credit
25 provided in this section may be referred to as the "high-needs

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1 schools teacher tax credit".

2 B. A taxpayer may claim and the department may
3 allow a high-needs schools teacher tax credit in an amount that
4 shall not exceed:

5 (1) one thousand five hundred dollars (\$1,500)
6 for a qualifying level 2 licensed teacher who has held a level
7 2 license for at least one-half of the taxable year; or

8 (2) two thousand dollars (\$2,000) for a
9 qualifying level 3-A licensed teacher who has held a level 3-A
10 license for at least one-half of the taxable year.

11 C. A teacher who teaches in a high-needs school for
12 less than one-half of the full school year shall not be allowed
13 to claim a high-needs schools teacher tax credit. To qualify
14 for:

15 (1) the maximum high-needs schools teacher tax
16 credit, a qualifying teacher shall have taught in a high-needs
17 school for the entire school year; or

18 (2) one-half of the high-needs schools teacher
19 tax credit, a qualifying teacher shall have taught at a high-
20 needs school for at least one-half of the full school year, but
21 not the full school year as determined or approved by the
22 public education department.

23 D. A teacher who qualifies for the high-needs
24 schools teacher tax credit may apply all or a portion of the
25 high-needs schools teacher tax credit against the teacher's

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1 personal income liability for the taxable year in which the
2 credit is being claimed, the excess may be carried forward for
3 up to three consecutive tax years.

4 E. Each year, the public education department shall
5 determine the criteria on which to base classification of a
6 school as a high-needs school for that taxable year for
7 purposes of this section. The criteria shall include
8 consideration of academic proficiency, the percent of poverty
9 in the school population and other factors to be identified by
10 the public education department. For each taxable year, no
11 more than a combined total of four thousand three hundred level
12 2 or level 3-A teachers shall be eligible for the high-needs
13 schools teacher tax credit.

14 F. The public education department shall furnish
15 annually to the taxation and revenue department a list of level
16 2 and level 3-A licensed teachers, by name and social security
17 number, who qualify for the high-needs schools teacher tax
18 credit.

19 G. As used in this section:

20 (1) "high-needs school" means a public primary
21 or secondary school, including charter schools, or a tribal,
22 bureau of Indian affairs or bureau of Indian affairs contract
23 school, identified by the public education department pursuant
24 to this section;

25 (2) "level 2 licensed teacher" means a teacher

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1 who has a valid level 2 teaching license issued by the public
2 education department; and

3 (3) "level 3-A licensed teacher" means a
4 teacher who has a valid level 3-A teaching license issued by
5 the public education department."

6 Section 2. APPLICABILITY.--The provisions of this act
7 apply to taxable years beginning on or after January 1, 2007.

8 Section 3. APPROPRIATION.--One hundred thousand dollars
9 (\$100,000) is appropriated from the general fund to the public
10 education department for expenditure in fiscal year 2008 to
11 implement the public education department functions associated
12 with implementation of the high-needs schools teacher tax
13 credit. Any unexpended or unencumbered balance remaining at
14 the end fiscal year 2008 shall revert to the general fund.